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September 20, 2005

FDIC San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Re: Comments Re FDIC Application #20051977: Wal-Mart Application for Insurance
and Industrial Bank Charter

Dear Mr. Carter:

On behalf of the 174 community bank and thrift institutions in Colorado, the Independent Bankers of Colorado (IBC) expresses its opposition to Wal-Mart Stores, Inc. application for a Utah Industrial Bank or Industrial Loan Company Charter (ILC) and Federal Deposit Insurance Coverage. While Wal-Mart states that the ILC would only be used to process debit and credit transactions at its 3,700 plus stores, the IBC's position is that the ILC could introduce a future amendment to provide other banking services such as, retail banking services, loans, and Wal-Mart bank branches. The potential of a retail giant like Wal-Mart entering the banking business violates the restriction of mixing commerce and banking. We oppose a commercial firms' ability to start or purchase an Industrial Loan Company. Wal-Mart has a history of attempting to enter the banking industry. This is in despite of existing regulatory restrictions preventing the mixing of banking and commerce. Congress took action as a result of Wal-Mart's efforts to purchase a small thrift institution in Broken Arrow, Oklahoma in 1998. The Gramm-Leach-Bliley Act of 1999 closed the unitary thrift holding company loophole and prohibits commercial firms from owning or acquiring savings associations as likewise they are prohibited from owning banks. In 2002, Wal-Mart again attempted to enter the banking industry by seeking to purchase a small California Industrial Bank. The California legislature stopped the purchase by passing a law disallowing commercial firms from owning ILC's. As a result of the IBC's efforts, Colorado also passed such a law. Community banks and thrift institutions are important factors that make up the fabric of small town centers. Locally owned retailers in small towns and communities across America are many times negatively impacted when Wal-Mart stores enter their market area. With its history of de-stabilizing local retailers, Wal-Mart banking institutions could drive out community financial institutions the same way that it has driven out community grocery stores,

pharmacies, and hardware stores. We believe that customers would be adversely affected by a Wal-Mart Bank. Customers would be evaluated solely on their credit scores, and the local bank-customer relationship would be non-existent. Consumer choices would be limited. More importantly, deposits could be directed out of the community, negatively affecting local lending policies and community support projects. The IBC requests the FDIC to hold regional public hearings to examine this issue. It is critical that other viewpoints be heard including those from banking trade associations and the general public. In conclusion, the Independent Bankers of Colorado opposes Wal-Mart's application for an ILC and federal deposit insurance coverage. We urge the FDIC to deny the application.

Sincerely,



Fred J. Bauer
President